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ALLEN H. HARRISON, JR.

DIRECT LINE (202)

663-6093

14729 A
RECORDATION NO. 14729

FEB 7 1989 1 12 PM

INTERSTATE COMMERCE COMMISSION

February 7, 1989

ICC Washington, D. C.

9-038A096

Recordation No. 14729

\$13.00 filing fee

Dear Ms. McGee:

On behalf of General Electric Capital Corporation, a New York corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, an executed counterpart and one certified true copy of a secondary document, not previously recorded, entitled Amended and Restated Mortgage, Deed of Trust and Security Agreement ("Amendment") dated as of April 14, 1988. The aforesaid Amendment relates to that certain Mortgage, Deed of Trust and Security Agreement dated as of July 3, 1985, recorded with the Interstate Commerce Commission under Recordation No. 14729 on July 9, 1985 and should be filed under the next available letter designation under Recordation No. 14729.

Under
14729
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know next
ltr.

The parties to the enclosed Amendment are:
SouthRail Corporation - Debtor
c/o MidSouth Corporation
111 East Capital Street
Jackson, Mississippi 39201

General Electric Capital Corporation ("GECC")
- Secured Party
1600 Summer Street
P. O. Box 8300
Stamford, Connecticut 06905

V. Y. Kidd - Trustee
c/o General Electric Credit Corporation
1600 Summer Street
P. O. Box 8300
Stamford, Connecticut 06905

The said document, among other things, acts to secure the payment of a loan from GECC to Gulf & Mississippi Railroad Corporation.

FEB 7 1 33 PM '89
MOTOR OPERATING UNIT

Completed J. H. H.
GSH:HTM

WILMER CUTLER & PICKERING

2002 N STREET N.W.
WASHINGTON, D. C. 20037-1000

THE UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535
MAY 19 1994
MEMORANDUM FOR THE DIRECTOR
SUBJECT: [Illegible]

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/19/94 BY 60322 UCBAW

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The equipment covered by the document is the equipment covered in the schedule attached to the said Amendment, copy attached hereto.

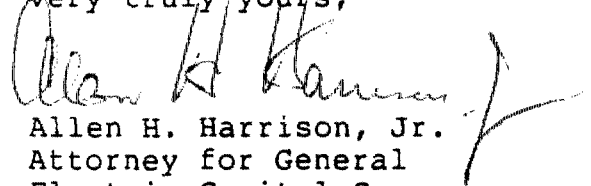
A short summary of the document to appear in the ICC Index is as follows:

"Covers hoppers, cabooses, work car and locomotives."

Enclosed is a check in the amount of thirteen dollars (\$13) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped signed counterpart of the document, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this transmittal letter.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for General
Electric Capital Corpora-
tion for the purpose of
this filing.

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

GULF & MISSISSIPPI RAILROAD
FREIGHT CAR AND LOCOMOTIVES

<u>DESCRIPTION</u>	<u>UNIT DESIGNATION</u>
OPEN TOP HOPPERS (10)	GMSR 100715 THRU 100724
CABOOSE	GMSR 1
CABOOSE	GMSR 2
MAINT OF WAY WORK CAR	GMSR 3
 LOCOMOTIVES	
8034	GP 10
8051	GP 10
8100	GP 10
8106	GP 10
8115	GP 10
8133	GP 10
8148	GP 10
8167	GP 10
8187	GP 10
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8193	GP 10
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8247	GP 10
8248	GP 10
8256	GP 10
8266	GP 10
1775	GP 9

Interstate Commerce Commission

Washington, D.C. 20423

2/7/89

OFFICE OF THE SECRETARY

Allen H Harrison Jr.

Wilmer, Cutler & Pickering

2445 M. St. N.W.

Washington, D.C. 20037-1420

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/7/89 at 1:45pm, and assigned recordation number(s). 14729-A

Sincerely yours,

Narita L. McGee

Secretary

Enclosure(s)

14729-A
RECORDED IN... FILE 148
FEB 17 1989 4 44 PM
INTERSTATE COMMERCE COMMISSION

AMENDED AND RESTATED MORTGAGE, DEED OF TRUST AND SECURITY AGREEMENT, dated as of July 3, 1985, and as amended and restated as of April 14, 1988, by and between SOUTHERAIL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Railway Company"), GENERAL ELECTRIC CAPITAL CORPORATION (formerly, General Electric Credit Corporation), a New York corporation ("GECC") and V.Y. KIDD, as trustee (hereinafter called the "Trustee").

WHEREAS Edward J. DeSalvio, as trustee, for the benefit of GECC and all other Persons (as such term is defined in the Purchase Agreement) who shall from time to time be entitled to the benefit of the Obligations (as such term is hereinafter defined), and Gulf & Mississippi Railroad Corporation, a Delaware corporation ("GMRC") have entered into that certain Mortgage, Deed of Trust and Security Agreement dated as of July 3, 1985 and recorded in such offices of Chancery Clerks as shown in Exhibit A hereto (the "Original Mortgage");

WHEREAS the Original Mortgage secures the obligations evidenced by Senior Acquisition Notes due June 30, 1995 in an aggregate principal amount of \$15,000,000 (the "Acquisition Notes") and the Senior Rehabilitation Notes due June 30, 1993 in the aggregate principal amount of \$2,000,000 (the "Rehabilitation Notes") and all other obligations of GMRC to GECC, under a certain Note and Warrant Purchase Agreement dated as of July 3, 1985, between GMRC and GECC (as so amended, the "Original Agreement");

WHEREAS GECC and GMRC entered into an amendment to the Original Agreement (as so amended, the "Amended Agreement") whereby GECC (a) forgave the indebtedness represented by the Rehabilitation Notes and any unpaid interest or any unpaid premium thereon, (b) reduced the aggregate principal amount of the Acquisition Notes to \$12,200,000, (c) forgave all of the accrued and unpaid interest on the Acquisition Notes to the date hereof and (d) amended certain other payment terms of the Acquisition Notes;

WHEREAS pursuant to a Purchase and Sale Agreement dated as of December 31, 1987 between GMRC and the Railway Company (as amended to the date hereof, the "Purchase and Sale Agreement") Railway Company intends to purchase and GMRC intends to sell all of GMRC's railroad operations as presently conducted on the rail properties currently owned by GMRC including substantially all of the assets, rights

and business of GMRC relating thereto and subject to the assumption of certain obligations and liabilities set forth therein;

WHEREAS in connection with such sale, GMRC and the Railway Company have executed an Assignment and Assumption Agreement dated as of April 14, 1988, whereby GMRC has assigned all of its rights under the Amended Agreement and the Original Mortgage to the Railway Company, and the Railway Company assumed all of GMRC's obligations under the Amended Agreement and the Original Mortgage;

WHEREAS in order to induce GECC to consent to the sale of assets pursuant to the Purchase and Sale Agreement and to lend \$2,300,000 to the Railway Company, GECC and the Railway Company have agreed to amend and restate the Amended Agreement as of April 14, 1988 (as so amended and restated the "Purchase Agreement");

WHEREAS pursuant to the Purchase Agreement, (a) the Railway Company is to assume the obligations under the Acquisition Notes as amended and restated to be known as the Senior Amended and Restated Acquisition Notes due December 31, 1997 (the "Restructured Notes"), payable to the order of GECC, in the original principal sum of \$12,000,000 and due on December 31, 1997, and (b) the Railway Company is to issue and GECC is to purchase Senior SouthRail Notes due December 31, 1997 in the original principal amount of

\$2,300,000 (the "SouthRail Notes"; the Restructured Notes and the SouthRail Notes are hereinafter collectively called the "Notes");

WHEREAS it is a condition precedent to the obligations of GECC under the Purchase Agreement that the Notes be secured by the Original Mortgage as hereby amended and restated and that the Railway Company assume the obligations of GMRC under the Original Mortgage;

WHEREAS on April 14, 1988, GECC removed Edward J. DeSalvio as trustee under the Original Mortgage, pursuant to Section 4.2 of the Original Mortgage, and appointed V.Y. Kidd as trustee, pursuant to Section 4.3 of the Original Mortgage.

WHEREAS in order to provide for and to secure the obligations evidenced by the Notes and all other obligations of the Railway Company under the Purchase Agreement and hereunder, the Railway Company, in pursuance of resolutions of its Board of Directors duly adopted by the unanimous written consent of the Board in accordance with law and with the by-laws of the Railway Company, and in pursuance of resolutions adopted by the unanimous affirmative vote of the holders of the entire outstanding capital stock of the Railway Company, given by unanimous written consent in accordance with law and with the by-laws of the Railway Company, has agreed with the Trustee and GECC to amend and

restate the Original Mortgage and, by means of such consent, the form of this Amended and Restated Mortgage, Deed of Trust and Security Agreement (hereinafter called this "Mortgage") was approved and the execution and delivery of this Mortgage duly authorized and directed; and

WHEREAS all requirements of law and of the charter and the by-laws of the Railway Company have been duly complied with, and all things necessary to make the Notes, when executed by the Railway Company, the valid and binding obligations of the Railway Company, and to make this Mortgage a valid and binding mortgage, deed of trust and security agreement for the security of the Notes and such other obligations, have been done and performed.

NOW, THEREFORE, WITNESSETH that in order to secure the payment of all the Notes at any time issued and outstanding under the Purchase Agreement, according to their tenor, purport and effect, as well the interest and any premium thereon, and to secure the payment of all other obligations provided in the Purchase Agreement, the Notes and this Mortgage and the performance and observance of all the covenants and conditions therein and herein contained (all such obligations to pay, perform and observe being hereinafter called the "Obligations"), and for and in consideration of the premises and of the purchase of the

Notes by the holders thereof, and of the sum of One hundred Dollars (\$100.00), lawful money of the United States of America, to the Railway Company duly paid by the Trustee at or before the execution and delivery of this Mortgage, the receipt whereof is hereby acknowledged, the Railway Company has executed and delivered this Mortgage, and has granted, bargained, sold, aliened, remised, released, conveyed, confirmed, pledged, created a security interest in, assigned, transferred, warranted and set over (collectively, "Mortgaged"), and by these presents does grant, bargain, sell, alien, remise, release, convey, confirm, pledge, create a security interest in, assign, transfer, warrant and set over (collectively, "Mortgage") unto the Trustee, its successors and their respective assigns in trust, for the equal and proportionate use, benefit and security of all and singular the Persons (as such term is defined in the Purchase Agreement), who shall from time to time be entitled to the benefit of the Obligations, including GECC and the holders of any of the Notes and without preference of any of the Notes over any other or others of the Notes by reason of priority in the time of issue or negotiation thereof or otherwise, subject to the terms, provisions and stipulations in the Notes, in the Purchase Agreement and in this Mortgage contained, and for the uses and purposes and upon and subject to the terms, conditions, provisions and agreements

hereinafter expressed and declared, all estate, right, title and interest to or in respect of the following real and personal property (hereinafter collectively called the "Collateral"):

FIRST. Any and all property and rights of every kind and description acquired or to be acquired as hereinbefore recited by the Railway Company from GMRC under the Purchase and Sale Agreement, including, but not limited to, the lines of railroad and other properties and rights described in Annex I to this Mortgage.

SECOND. Any and all property and rights, of every kind and description, owned, acquired or to be acquired by the Railway Company on the date of the execution and delivery of this Mortgage, or thereafter acquired by it, or held or acquired for use or used upon or in connection with, or appertaining to, any of the lines of railroad or other property which, or any right, title or interest in which, shall at any time be subject to this Mortgage, including, without limitation, the property and rights of the Railway Company described in Annex II to this Mortgage and:

(a) all lands, rights of way, roadbeds, station and depot grounds, all inclines, tunnels, culverts, spurs, tracks, turnouts, switches, sidings and turntables, all superstructures, bridges, stringers, ties, rails, frogs, chairs, bolts, tie plates, splices,

signals and signal apparatus, interlocking devices and other railroad appurtenances, all telegraph, telephone and electric power transmission lines, including all wires, cables, poles, batteries, conduits, ducts, viaducts, cross overs, anchors, subways, power plants, turbines, flumes, pipes, generators, motors, switchboards and other instruments, all stations or facilities for wireless communication and signalling, all depots, roundhouses, terminals and terminal property and facilities, all station houses, office buildings, warehouses, elevators, freight houses, engine houses, car houses, repair shops, tower houses, yard buildings, water stations, water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, machine shops and other structures, all engines, tenders, cars, buses, trucks and other rolling stock and equipment (and equity therein), all walls, fences, wharves, docks, piers and landings, steamers and steamships, ferries, boats, barges, tugs and other floating equipment, all machinery, tools, implements and other railroad appliances, apparatus and facilities, materials and supplies, and all other physical property held or acquired for use or used upon or in connection with, or appertaining to, any of said lines of railroad or other properties; and

(b) all corporate rights, privileges, immunities and franchises, powers, licenses, easements, rights-of-way, leases of lines of railroad or other property, leasehold rights, trackage, terminal, running and traffic rights, interests, including oil, gas and other mineral interests and rights, benefits, advantages, privileges, contracts and general intangibles (as that term is used in the applicable Uniform Commercial Code), and all other agreements, appurtenances and rights, and all renewals and extensions thereof, and any and all warranties and other rights the Railway Company may have against dealers, manufacturers, contractors or subcontractors, the right to compel performance of the terms of any of the foregoing and all rights to exercise any election or option or to make any decision or determination or to give any notice, consent, waiver or approval thereunder or in respect thereof or any part thereof as well as all rights, powers and remedies of the Railway Company arising thereunder or by statute or at law or in equity, or otherwise arising out of any default or breach thereof, all as though the Trustee were named therein instead of the Railway Company; and

(c) all goods, inventory, machinery, apparatus, equipment, tools, materials, supplies and all other

tangible personal property now owned or hereafter acquired by the Railway Company, including without limitation all such property which is attached to, located on or used in connection with any of said lines of railroad or other property; and

(d) all accounts (as that term is used in the applicable Uniform Commercial Code) and other rights to receive the payment of money, including without limitation receivables, rights to receive the payment of money under present or future contracts or agreements (whether or not earned by performance) and all chattel paper (as that term is used in such Uniform Commercial Code); and

(e) any proceeds of and any unearned premiums on any insurance policies now or hereafter covering any part of the Collateral, including the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof; and

(f) any awards or payments, including interest thereon, which may be made with respect to any part of the Collateral, whether in connection with the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right) or in connection with any other injury to or decrease in value of any part of the Collateral; and

(g) all other property, assets and things of value of every kind and nature, tangible or intangible, absolute or contingent, legal or equitable, which the Railway Company may be possessed of or entitled to; and

(h) the right, in the name of the Railway Company, to appear in and defend any action or proceeding brought with respect to the Collateral and to commence any action or proceeding to protect the interest of the Railway Company in the Collateral.

THIRD. Any and all additions, improvements and betterments to or upon or in connection with any and all lines or railroad, premises and property which, or any estate, right or title to or interest in which, shall at any time be subject to this Mortgage, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in equity as in law, of the Railway Company of, in and to such lines or railroad, premises and property and every part and parcel thereof and of, in and to the appurtenances and franchises appertaining or hereinafter to appertain thereto.

FOURTH. Any and all other property of every kind and description, including money, shares of stock, notes, bonds, deposits and other obligations, whether owned by the Railway Company at the date of the execution and delivery of this Mortgage or hereinafter acquired by it.

FIFTH. Any and all property of every kind and description, including money, shares of stock, notes, bonds, deposits and other obligations, which from time to time after the date of the execution and delivery of this Mortgage by delivery or by writing of any kind shall have been Mortgaged by the Railway Company, or by anyone on its behalf, to the Trustee (who is hereby authorized to receive at any and all times any property as and for additional security for the payment, performance and observance of the Obligations and to hold and apply any and all such property subject to the terms hereof).

SIXTH. Any and all tolls, revenues, earnings, rents, issues, profits, products, proceeds and other income in respect of the foregoing.

SEVENTH. All instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

EIGHTH. Any and all consideration received from the sale, exchange, lease or other disposition of any asset or property which constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer, governmental entity or other person or entity as a result of the destruction, loss, theft, taking by eminent domain or other involuntary conversion of whatever nature of any asset or property which

constitutes Collateral, and shall include, without limitation, all cash and negotiable instruments received or held by Trustee pursuant to any lock-box or similar arrangement relating to the payment of accounts.

TO HAVE AND TO HOLD the foregoing railroads, premises, properties, real and personal, rights, franchises, estates and appurtenances, hereby conveyed and assigned, or intended to be conveyed or assigned, unto the Trustee, its successor and their respective assigns in trust forever.

SUBJECT, HOWEVER, as to the Collateral identified in Annex III to this Mortgage, to the Liens, (as such term is defined in the Purchase Agreement) described in Annex III to this Mortgage, and subject, as to all Collateral, to any Liens described in Annex IV to this Mortgage (all such Liens described in Annexes III and IV to this Mortgage being hereinafter collectively called the "Permitted Encumbrances"); provided, however, that the Trustee upon the happening of any Event of Default (as such term is defined in the Notes) shall have and may exercise any and all rights of the Railway Company to terminate any such Permitted Encumbrance.

ARTICLE I

Certain Representations and Covenants

SECTION 1.1. Further Assurances. All Collateral, by this Mortgage covenanted to be Mortgaged, and any Collateral at any time acquired by the Railway Company and required by this Mortgage to be Mortgaged shall, immediately upon the acquisition thereof by the Railway Company and without any further act, become and be subject to the lien of this Mortgage as fully and completely as though now owned by the Railway Company and specifically described in the Granting Clauses hereof; but, at any and all such, the Railway Company will make and deliver any and all such further assurances or conveyances or assignments thereof and take all such actions or cause such actions to be taken as may be necessary, advisable or reasonably required by Trustee, to establish, preserve, protect or perfect the lien of this Mortgage; and the Railway Company will, at its own expense, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances as shall be necessary or reasonably requested by the Trustee for such purpose. Railway Company shall, within 15 days after the purchase of any locomotives, cars or other railroad rolling stock, notify Trustee of such purchase and provide road, serial numbers and such other identifying

information as Trustee shall reasonably request with respect to such acquired equipment. The Railway Company shall, at its own expense, cause a supplement to this Mortgage to be prepared granting Trustee a security interest in such acquired equipment. Railway Company shall execute such supplement promptly upon receipt and Trustee shall cause such supplement to be filed, at Company's expense, with the ICC.

SECTION 1.2. Title to Collateral; Liens. The Railway Company represents, warrants, covenants and agrees that it is lawfully seized and possessed of, or has valid leasehold interests in, said Collateral herein Mortgaged, including good title to all Collateral which is personal property (in the case of Collateral acquired by Railway Company pursuant to the Purchase and Sale Agreement, to the extent necessary for Railway Company to operate a continuous railroad system substantially as operated by GMRC immediately prior to the effectiveness of the Purchase Agreement), has a good right to Mortgage such Collateral, and that such Collateral is free from all Liens except Permitted Encumbrances, and, except as aforesaid, warrants the title to same against the lawful claims of all Persons whomsoever. The Railway Company has a good right to convey such Collateral (except to the extent that conveyance of any such leasehold interests requires the consent of others, which

consents have been obtained in connection with the conveyances contemplated by the Purchase and Sale Agreement and this Mortgage with respect to all material leasehold interests, and except to the extent that any such conveyance would require regulatory approval or exemption, which approvals or exemptions have been obtained in connection with the conveyances contemplated by the Purchase and Sale Agreement and this Mortgage); and the Railway Company has received all deeds, assignments, bills of sale and other documents and duly effected all recordings, filings and other actions necessary or appropriate to establish, protect and perfect the Railway Company's right, title and interest in and to the Collateral to the extent provided above.

Except for Permitted Encumbrances, the Railway Company will not create or suffer to exist any Lien upon the Collateral, or any part thereof, or upon the income thereof. The Railway Company will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, promptly and in any case prior to the due date thereof, all lawful claims and demands of mechanics, laborers and others which, if unpaid, might by law be entitled to a lien or charge upon the Collateral or some part thereof, or the income thereof; provided that the Railway Company shall not be required to pay any such claim or demand so long as the same shall be permitted to remain unpaid under Section 6.3

of the Purchase Agreement. With respect to Liens described in paragraph 2 of Annex III to this Mortgage, the Railway Company shall take all reasonable steps to discharge any such Liens which are material, promptly upon the Railway Company's being made aware of the existence or probable existence of such Lien.

SECTION 1.3. Maintenance of Collateral;

Insurance. The Railway Company shall maintain or cause to be maintained all Collateral which constitutes material property used or useful in the business of the Railway Company or its subsidiaries in good repair, working order and condition for their intended use (it being understood that many segments of the railroad properties acquired by the Railway Company and mortgaged as Collateral hereunder are not on the date of acquisition in good repair, working order and condition, that the Railway Company intends to rehabilitate certain such segments which will thereafter be maintained in good repair, working order and condition and that the Railway Company intends to retire, abandon or sell certain other segments all in accordance with the Purchase Agreement) and from time to time will make or cause to be made all repairs, renewals and replacements thereof appropriate for their intended use, provided, however, that the Railway Company will not retire, abandon or sell any material properties used or useful in the business of the Railway

Company or its subsidiaries unless such retirement, abandonment or sale is contemplated by the Business Plan (as such term is defined in the Purchase Agreement) or as may be permitted by Section 7.9 of the Purchase Agreement; provided further, however, that the Railway Company shall not change the intended use of any material property from the use which it served prior to the date of acquisition unless either (a) such change is contemplated by the Business Plan (as such term is defined in the Purchase Agreement) or (b)(i) an ordinarily prudent person in the management of his own business properties would change the intended use of such property and (ii) the change of such intended use and all other changes of intended use to the date of such change would not individually or in the aggregate materially impair the value or useful life of the Collateral. The Railway Company will maintain or cause to be maintained, with financially sound and reputable insurers, insurance with respect to its properties and business and the properties and business of its subsidiaries against loss or damage of the kinds customarily insured against by corporations of established reputation engaged in the same or similar businesses and similarly situated, of such types and in such amount as are customarily carried under similar circumstances by such other corporations; provided, however, that the Railway Company will at all times maintain or cause

to be maintained with financially sound and reputable insurers, acceptable to GECC, the types of insurance having the aggregate limits, and self-insured retentions, described in Exhibit B and the benefits of such policies shall be endorsed in favor of GECC to the extent commercially available.

SECTION 1.4. Recording of Mortgage. The Railway Company, at Trustee's expense, will cause this Mortgage and all financing statements and other documents to be recorded and filed on or prior to the Closing Date (as defined in the Purchase Agreement), and will execute and cause, at its own cost and expense, all mortgages, amendments and instruments supplemental hereto and all financing statements and other documents, to be recorded and filed and to be kept recorded and filed in such manner, at such times after the date hereof and in such places as may be required by law or necessary or advisable or reasonably requested by the Trustee in order fully to establish, preserve, protect and perfect the first and prior lien of this Mortgage, the security of the Noteholders and the rights of GECC, the Trustee and all other Persons entitled to the benefit of the Obligations.

ARTICLE II

Remedies and Other Rights

SECTION 2.1. Remedies. If there shall occur and be continuing under any Note an Event of Default (as defined therein), then and in each and every such case the Trustee, personally, or by its agents or attorneys, may, at the expense of the Railway Company, at any time and from time to time:

(a) enter into and upon all or any part of the Collateral, including the railroads, rolling stock, property and premises, lands, rights, interest and franchises hereby Mortgaged or intended so to be, and each and every part thereof, and exclude the Railway Company therefrom; use, operate, manage and control all or any part of the Collateral, regulate the tolls for the transportation of passengers and freight thereon, and conduct the business thereof; by purchase, repairs or construction, maintain and restore, and insure or keep insured, all or any part of the Collateral and any property used in connection with all or any part of the Collateral, or convert all or any part of the Collateral to any other use which the Trustee shall in its sole discretion determine; make all necessary, useful or proper repairs, renewals, replacements, alterations, additions, betterments and improvements, as the Trustee

may in its sole discretion determine; manage the Collateral and carry on the business and exercise all rights and powers of the Railway Company, either in the name of the Railway Company or otherwise, as the Trustee shall in its sole discretion determine; and collect and receive all tolls, earnings, income, rents, issues, profits and proceeds of the same and every part thereof; and

(b) foreclose upon, sell, assign, transfer and deliver, subject to any or all then existing Liens thereon, all or any portion of the Collateral, including all the rights, title, estates, railroads, equipment, inventory, receivables, franchises, leases, leasehold interests, contracts and appurtenances, stocks and bonds, and all other property of every name and nature, and all or any estate, right, title and interest, claim and demand therein, and right of redemption thereof, at any private sale or public auction with or without demand, advertisement or notice (except as may be required by applicable law) of the date, time and place of sale and any adjournment thereof, for cash or credit or other property, for immediate or future delivery and for such price or prices and on such terms as the Trustee, in its sole

discretion, may determine, or as may be required by applicable law; or

(c) proceed to protect and to enforce its rights and the rights of GECC, the Noteholders and all other Persons entitled to the benefit of the Obligations under this Mortgage, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein or in the Purchase Agreement or the Notes, or in aid of the execution of any power herein or therein granted, or for the foreclosure of this Mortgage, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee shall deem effectual to protect and enforce any of its rights or duties under this Mortgage or the rights of GECC, the Noteholders and all other Persons entitled to the benefit of the Obligations; or

(d) exercise any rights or remedies given to secured parties under the applicable Uniform Commercial Code or exercise the Statutory Power of Sale or any other right given to mortgagees under any applicable law; the Railway Company agrees that 15 days' prior written notice of the time and place of any public sale or the time after which a private sale of all or any

portion of the Collateral may be made is reasonable for all purposes of the Uniform Commercial Code; or

(e) exercise any remedies available under the Notes; or

(f) any combination of the foregoing.

SECTION 2.2. Direction by GECC or Noteholders.

Upon the written direction of GECC or the holders of two-thirds in principal amount of the Notes then outstanding (a "Majority in Interest of the Noteholders"), it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take all steps needful for the protection and enforcement of its rights and the rights of GECC, the Noteholders and all other Persons entitled to the benefit of the Obligations, and to exercise the powers herein conferred, or to take appropriate judicial proceedings by action, suit or otherwise as so directed by GECC or a Majority in Interest of the Noteholders, as the case may be, and as the Trustee shall deem most expedient in the interest of such Persons. The Trustee shall not be required to take any such action directed by GECC or a Majority in Interest of the Noteholders unless the Trustee shall have been indemnified by GECC or the Noteholders, as the case may be, in a manner reasonably satisfactory to it, against costs, expenses and other liabilities incurred in connection with such action.

SECTION 2.3. Power to Convey Title. Upon any conveyance, assignment or transfer under this Mortgage, the Trustee shall have the power to execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or deeds and other instruments conveying, assigning and transferring the Collateral sold. The Trustee and its successors in trust hereby are irrevocably appointed the true and lawful attorneys of the Railway Company, in its name and stead, to make all such conveyances, assignments and transfers of the Collateral; and, for that purpose, the Trustee or its successors in trust may execute all requisite deeds and instruments of conveyance, assignment and transfer, and may, with the approval of GECC or a Majority in Interest of the Noteholders, substitute one or more Persons with like power; the Railway Company hereby ratifying and confirming all that its said attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Railway Company shall, if so requested by the Trustee, ratify and confirm any conveyance, assignment or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be requested by the Trustee.

SECTION 2.4. Effect of Sale. Any conveyance, assignment or transfer made under or by virtue of this Mortgage, whether under the power of sale herein granted and

conferred or under or by virtue of judicial proceedings, shall operate to divest all estate, right, title, interest, claim and demand whatsoever, either at law or in equity, of the Railway Company of, in and to the Collateral so conveyed, assigned or transferred, and shall be a perpetual bar, both at law and in equity, against the Railway Company, its successors and assigns, and against any all persons claiming or to claim the Collateral conveyed, assigned or transferred, from, through or under the Railway Company, its successors or assigns.

SECTION 2.5. Purchaser Discharged. The receipt of the Trustee for the consideration paid at any such conveyance, assignment or transfer shall be a sufficient discharge therefor to any purchaser of the Collateral; and no such purchaser or his representatives, grantees or assigns, after paying such consideration and receiving such receipt, shall be bound to see to the application of such consideration or any part thereof upon or for any trust or purpose of this Mortgage, or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such consideration or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 2.6. Application of Proceeds. The proceeds of any exercise of remedies hereunder, whether made

under the right of entry or the power of sale herein granted or pursuant to judicial proceedings or otherwise, together with any other sums which then may be held by the Trustee under any of the provisions of this Mortgage, shall be applied as follows:

FIRST. To the payment of the costs and expenses of the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the Collateral, the costs and expenses of effecting any conveyance, assignment or transfer hereunder and to the payment of all taxes, assessments or other Liens, except Liens subject to which any Collateral shall have been sold;

SECOND. To the payment of any and all amounts then due and owing and unpaid to GECC pursuant to the Purchase Agreement;

THIRD. To the payment of the whole amount then due and owing or accrued and unpaid upon the Notes for principal and interest accrued to the date of distribution, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of the principal of and interest accrued to the date of distribution on the Notes, without preference or priority of any Note over

any other Note, or of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and accrued and unpaid interest;

FOURTH. To the payment of any and all other Obligations at the time due and owing to the Persons entitled thereto;

FIFTH. If the Notes shall not have been paid in full pursuant to the preceding paragraph Third, to the Trustee to be held as additional Collateral; and

SIXTH. To the payment of the surplus, if any, to the Railway Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 2.7. Waiver of Rights. The Railway Company agrees, to the fullest extent allowed by applicable law, that it will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any stay or extension law, now or at any time hereafter in force; not will it claim, take or insist upon any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisal of the Collateral, or any part thereof, prior to any disposition

thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor will it insist upon, or be entitled to, the fixing of an upset price upon the Collateral, or any part thereof, in connection with any such sale; nor after any such disposition will it claim or exercise any right under any statute heretofore or hereafter enacted, or otherwise, to redeem the Collateral so sold or any part thereof; and the Railway Company, for itself and all Persons claiming under or through it, hereby expressly waives, to the fullest extent allowed by applicable law, all such rights and all benefit and advantage of any such law or laws, and it covenants and agrees, to the fullest extent allowed by applicable law, that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted. In addition, the Railway Company, for itself and all Persons claiming under or through it, to the fullest extent allowed by applicable law, hereby (a) agrees that, if any Collateral proposed to be conveyed, assigned or transferred hereunder should be situated in two or more states, counties or judicial districts, the Trustee and its successors in trust shall have full power in connection with such conveyance, assignment or sale to select in which

state, county or judicial district any or all such Collateral shall be conveyed, assigned or transferred, (b) waives the provisions of Miss. Code Ann. Sec. 89-1-55 (1972), any amendments thereto and any similar provisions of law heretofore or hereafter enacted in Mississippi, Alabama, Tennessee or any other jurisdiction in which Collateral is located, insofar as such statute or laws restrict the right of the Trustee to offer for sale more than a specified amount of the Collateral, and the Trustee may offer for sale any or all Collateral at any time regardless of the manner in which it may be described and (c) waives the provisions of Miss. Code Ann. Sec. 89-5-17 (1972), any amendments thereto and any similar provisions of law heretofore or hereafter enacted in Mississippi, Alabama or Tennessee or any other jurisdiction in which Collateral is located, providing for forfeiture for failure to note of record an assignment of indebtedness secured by mortgages, deeds of trust or security interests.

SECTION 2.8. Delay Not Waiver. No delay or omission of the Trustee or of any Noteholder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this Mortgage

may be exercised from time to time, and as often as may be deemed expedient, by the Trustee.

SECTION 2.9. Abandonment Not Waiver. In case the Trustee shall have proceeded to enforce any right under this Mortgage by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then, and in every such case, the Railway Company and the Trustee shall severally and respectively be restored to their former positions and rights hereunder in respect of the Collateral, and all rights, remedies and powers of the Trustee and of the Railway Company shall continue as though no such proceedings had been taken.

SECTION 2.10. Right to Buy at Sale. To the fullest extent allowed by applicable law, the Trustee, GECC, any Noteholder or any other Person entitled to the benefit of any Obligation may be a purchaser of the Collateral or any part thereof or any interest therein at any sale thereof, whether pursuant to foreclosure or power of sale or otherwise. The Trustee may apply against the purchase price therefor the amount then due in respect of the Obligations, any any other Person entitled to the payment of any Obligation may apply against the purchase price therefor the amount thereof then due and owing to such Person, the

payment of which this Mortgage by its terms secures, which shall, upon distribution of the net proceeds of such sale, be payable to such Person. The Trustee or any such Person shall, upon any such purchase, acquire good title to the property so purchased, free of the lien of this Mortgage.

SECTION 2.11. Appointment of Receiver. The Trustee shall, as a matter of right, be entitled to the appointment of a receiver (who may be the Trustee or any successor or nominee thereof) for all or any part of the Collateral, whether such receivership be incidental to a proposed sale of Collateral or the taking of possession thereof or otherwise, and the Railway Company hereby consents to the appointment of such a receiver and will not oppose any such appointment. Any receiver appointed for all or any part of the Collateral shall be entitled to exercise all the rights and powers with respect to the Collateral to the extent instructed to do so by the Trustee.

ARTICLE III

Releases of Collateral

SECTION 3.1. Surplus Collateral. From time to time, the Railway Company, subject to the conditions and limitations in this Article and Section 7.9 of the Purchase Agreement prescribed, and not otherwise, may request permission to sell, and the Trustee, upon the delivery to the

Trustee of the resolutions, opinion and certificates required by Section 3.6 may release from the lien of this Mortgage, any Collateral which it shall no longer be necessary or expedient or advantageous, in the opinion of the Trustee, to retain for the operation, maintenance or use of the lines of railroad then subject to this Mortgage, or for use in the business of the Railway Company.

SECTION 3.2. Joint Depot and Terminal Facilities.

From time to time, the Railway Company, subject to the conditions and limitations in this Article prescribed, and not otherwise, may, for the purpose of providing joint depot and terminal facilities with other railroads, request permission to sell parts of its tracks or other property, or grant trackage rights over such tracks, or make other arrangements, to or with any terminal company or union depot company or other railroad company with which it may enter into arrangements for such joint depot and terminal facilities, provided (a) that, in the opinion of the Trustee, the Railway Company is not thereby prevented from maintaining and operating a continuous railroad system as theretofore operated, (b) that the Railway Company secures and pledges or assigns under this Mortgage contracts giving it the right to use such joint depot or terminal facilities upon substantially equal terms with the other companies using the same and (c) that, in the opinion of the Trustee, the value

of the property sold or the rights parted with and the value of the rights, moneys and property obtained shall be commensurate; and the Trustee, upon the delivery to the Trustee of the resolutions, opinion and certificates required by Section 3.6, may release the property so sold.

SECTION 3.3. Removed or Abandoned Property. The Trustee may, from time to time, release from the lien of this Mortgage any franchise or portion hereof which is to be or shall have been surrendered by the Railway Company, and any tracks and structures which are to be or shall have been removed or abandoned by it, provided (a) that such surrender of franchise or such removal or abandonment of tracks or structures shall be or shall have been made pursuant to any agreement with a state, municipality or other political division or subdivision of a state, or to legal requirement, and shall have been duly authorized by all public authorities, if any, having jurisdiction in the premises, (b) that the Railway Company, so far as may be permitted by law, shall retain all franchises, tracks and structures necessary or proper to entitle it to maintain and operate a continuous railroad system consistent with the Business Plan (as such term is defined in the Purchase Agreement), (c) that the Railway Company shall have complied with the provisions of Section 7.9 of the Purchase Agreement with respect to any such disposition and (d) that, in the opinion of the

Trustee, the value of the security afforded by this Mortgage shall not be, in any way, impaired or prejudiced thereby.

SECTION 3.4. Casualty Loss; Governmental Taking.

(a) If any portion of the Collateral shall be destroyed or damaged by fire or any other casualty, resulting in a loss in excess of \$100,000, the Railway Company shall give immediate notice to the Trustee of any such destruction or damage, who may make proof of loss if not promptly made by the Railway Company, and each insurance company concerned is hereby authorized and directed by the Railway Company to make payment for any loss in excess of \$500,000 directly to the Trustee. In the case of any loss of less than \$100,000, the Railway company shall apply any insurance proceeds as it sees fit for the prudent management of its business, provided that the Railway Company shall not be in breach of any of its obligations hereunder or under the Purchase Agreement. In the case of any loss of greater than \$100,000 and less than \$500,000, the Railway Company shall have the right to adjust such loss independently of the Trustee, and available insurance proceeds, less all costs and expenses of the Trustee in collecting such proceeds, shall be paid directly to and applied by the Railway Company to the repair, restoration and replacement of the Collateral, provided that the Railway Company shall not be in breach of any of its obligations hereunder or under the Purchase

Agreement, and provided further that the Trustee shall have received certification satisfactory to the Trustee that the fair value of such repair, restoration or replacement is not less than the value of such proceeds applied thereto. In the event of any loss in excess of \$500,000, or if the Railway Company is in breach of any of its obligations hereunder or under the Purchase Agreement, the Trustee shall participate in the adjustment of such loss, and any insurance proceeds received by the Railway Company in respect of such loss shall be treated by the Railway Company as Net Cash Proceeds (as such term is defined in the Purchase Agreement) under Section 7.9 of the Purchase Agreement.

(b) Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of the Collateral, or any portion thereof, the Railway Company shall notify the Trustee of the pendency of such proceedings. The Trustee may participate in any such proceedings where the amount in controversy exceeds \$100,000, and the Railway Company shall from time to time deliver to the Trustee all instruments requested by it to permit such participation. The Railway Company shall, at its expense, diligently prosecute any such proceedings and shall consult with the Trustee, its attorneys and experts and cooperate with it in any defense of any such proceedings. The Railway Company shall treat all awards and

proceeds of condemnation as it treats insurance proceeds under subparagraph (a) of this Section 3.4.

SECTION 3.5. Replacement of Equipment; Amendment of Leases. Subject to the provisions of Section 7.10 of the Purchase Agreement, the Railway Company shall have full power, in its discretion, from time to time in the ordinary course of business (as such term is defined in Section 7.10 of the Purchase Agreement), to dispose of any portion of the equipment, machinery, apparatus, implements or other portable personal property at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit for use upon the Collateral, by first or simultaneously replacing the same by new equipment, machinery, apparatus, implements or other portable personal property of at least equal value, which shall become subject to the lien of this Mortgage.

The Railway Company without the consent of the Trustee may cancel, change, amend or supplement any leases or trackage agreements at any time subject to the lien of this Mortgage, but, in such event, any changed, amended or supplemented lease or trackage agreement shall be subject to this Mortgage in the same manner and to the same extent as that previously existing; provided, however, that, prior to any such cancelation, change, amendment or supplement involving a lease or trackage rights agreement which by

itself or in aggregation with related leases and trackage rights agreements, requires payments by the Railway Company in excess of \$10,000 per year, (a) a certificate of the President and the Chief Financial Officer of the Railway Company shall have been furnished to the Trustee stating that such action in their opinion is advantageous to the Railway Company, does not impair the security afforded by this Mortgage and does not operate to prevent the Railway Company from maintaining and operating a continuous railroad system as theretofore operated, (b) a copy of a resolution of the Board of Directors of the Railway Company approving such action shall also have been delivered to the Trustee and (c) the Trustee shall have been given not less than 15 days' prior notice of such action and shall not have objected thereto.

SECTION 3.6. Resolutions, Certificates and Opinions. The Trustee shall not release Collateral from the lien of this Mortgage pursuant to Section 3.1 or 3.2 unless, in addition to satisfaction of the conditions to such release therein described, the Trustee shall have received:

(a) a copy of a resolution of the Board of Directors of the Railway Company, certified by its Secretary, requesting such release and describing the Collateral so to be released;

(b) a certificate signed by the President and by the Chief Financial Officer of the Railway Company setting forth:

(i) a description of the Collateral the release of which is requested;

(ii) the selling price of such Collateral and a description of, and the cost and fair value to the Railway Company of, any consideration (other than cash) to be received in exchange therefor;

(iii) that the fair market value of such Collateral is not greater than the fair value of the consideration to be received therefor; and

(iv) such matters as it shall be necessary to establish in order to show that the release of such Collateral is authorized under the provisions and restrictions of this Article;

(c) any instruments necessary or appropriate or requested by the Trustee to subject to the lien of this Mortgage the consideration for the Collateral so to be released;

(d) in case the release of Collateral is requested which is valued by the Trustee or by the President and Chief Financial Officer of the Railway Company at \$50,000 or more, a certificate of an independent engineer selected by the Railway Company and

satisfactory to the Trustee setting forth that the fair value of the Collateral to be released is not greater than the consideration to be received therefor;

(e) an opinion of counsel satisfactory to the Trustee:

(i) stating that, except for conditions to release which are within the discretion of the Trustee, the release is authorized by the provisions of this Article and that the resolutions, certificates and other instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Mortgage and constitute sufficient authority under this Mortgage for the Trustee to execute and deliver the release requested and that, upon the basis of the consideration described in the certificate delivered to the Trustee pursuant to paragraph (b) of this Section, the Collateral may properly be released from the lien of this Mortgage pursuant to such request;

(ii) stating that any indebtedness included in the consideration for the Collateral so to be released is duly secured by a valid purchase money mortgage constituting a lien upon the Collateral to be released free and clear of all prior Liens;

(iii) in case the consideration for the Collateral to be released, or any part thereof, consists of property other than cash, specifying the mortgages, deeds, conveyances, assignments, transfers and instruments of further assurance which will be sufficient to subject to the lien of this Mortgage such other property or stating that such other property is then subject to the lien of this Mortgage and that no such mortgage, deed conveyance, assignment, transfer or instrument of further assurance is necessary for such purpose; and

(iv) in case the consideration for the Collateral to be released, or any part thereof, consists of property other than cash, stating that the Railway Company has acquired good title thereto (or good title subject only to such Liens as do not, in the opinion of such counsel, impair the use of such property by the Railway Company), and that the same and every part thereof is free and clear of all Liens prior to or on a parity with the lien of this Mortgage, except taxes (remaining payable without penalty), and stating also that the Railway Company has lawful power to acquire,

own and use such other property or rights in its business.

The resolutions, opinions and certificates so to be furnished to the Trustee may be received by the Trustee as conclusive evidence of any of the facts, or of the continuance of any condition, or of anything by this Article required to be established or shown in order to authorize the action sought in respect of any Collateral forming the subject of such resolutions and certificates, and shall be full warrant to the Trustee for any action taken on the basis thereof; but the Trustee, in its discretion, may require at the cost and expense of the Railway Company such further and additional evidence as to the Trustee may seem desirable.

ARTICLE IV

Concerning the Trustee

SECTION 4.1. Acceptance of Trusts; Duties. The Trustee hereby accepts the trust of this Mortgage and agrees to execute the terms and conditions hereof, including the following, to which the parties hereto and the Persons entitled to the benefit of the Obligations agree:

(a) this Mortgage need not be recorded, registered or filed or rerecorded, reregistered or refiled by the Trustee;

(b) the Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created, and such compensation, as well as the reasonable compensation of its counsel and of such Persons as they may employ in the administration or management of the trust, and all other reasonable expenses necessarily incurred and actually disbursed hereunder, the Railway Company agrees to pay, and for such payment the Trustee shall have a lien on the Collateral prior to the rights and claims of the Persons entitled to the benefit of the Obligations;

(c) the Trustee shall not be responsible in any manner whatsoever for the recitals herein contained, all of which are made solely by the Railway Company;

(d) the Trustee shall not be responsible for, or in respect of, the validity or sufficiency of this Mortgage or the execution hereof by the Railway Company or the title of the Railway Company to, or the value of, the Collateral;

(e) unless and until the Trustee shall have received written notice to the contrary from any Person entitled to the benefit of any Obligation, the Trustee may, for all purposes of this Mortgage, assume that the

Railway Company is not in default under this Mortgage and that no Event of Default has occurred;

(f) the Trustee shall not be under any obligation to take any action toward the execution or enforcement of the trusts hereby created which, in its opinion, will be likely to involve it in cost, expense or liability, unless one or more of the Persons entitled to the benefit of the Obligations shall, as often as required by the Trustee, furnish its reasonably adequate security and indemnity against such costs, expenses or liabilities or unless it appears reasonably probable to the Trustee that the Collateral will be sufficient to enable the Trustee to compensate or reimburse itself from the Collateral by virtue of the lien given in paragraphs (b) and (i) of this Section; but the foregoing provisions are intended only for the protection of the Trustee and shall not be construed to limit or affect any discretion or power by any provision of this Mortgage given to the Trustee to take action in respect of any default or otherwise without notice or request;

(g) the Trustee shall be fully protected in acting upon or in accordance with any notice, request, receipt, consent, certificate or other instrument or paper believed by it to be genuine and to have been

signed or presented by the proper Person or duly authorized or properly made;

(h) the Trustee may employ agents or attorneys-in-fact, and shall not be answerable for the default or misconduct of any agent or attorney appointed or employed and retained by it in pursuance hereof;

(i) the Trustee shall be reimbursed and indemnified by the Railway Company against any liability, loss, claims, demands or damage it may sustain or incur in the proper performance of its duties hereunder and shall have a lien upon the Collateral prior to the rights and claims of the Person entitled to the benefit of the Obligations for any such liability, loss, claims, demands or damage;

(j) the Trustee may hold and own Notes and be employed by or affiliated with any other Persons entitled to the benefit of the Obligations with the same rights which it would have if it were not Trustee hereunder;

(k) the Trustee may seek advice from legal counsel and shall be protected in respect of any action under this Mortgage taken in good faith by the Trustee in accordance with an opinion of counsel;

(l) the Trustee shall not be liable for any error of judgment, nor for any act done or steps taken or

omitted by it, nor for any mistake of fact or law, nor for anything which it may do or refrain from doing in connection herewith in good faith; and

(m) the Trustee may accept the certificate of the President or one of the Vice Presidents and the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer of the Railway Company as conclusive evidence of any fact or facts upon which any action by the Trustee may depend, or upon which it may desire to require information for the purposes of such action, unless some other method of procedure, or evidence or source of information is herein specifically provided for; and such certificate shall be full protection to the Trustee for any action taken upon the faith thereof.

SECTION 4.2. Registration and Removal. Any trustee at the time acting hereunder may resign and be discharged from the trusts created by this Mortgage by giving to GECC and the Railway Company notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the date specified in said notice or on the earlier appointment, acceptance and qualification of a successor trustee or successor trustees, appointed as hereinafter provided.

Any trustee at the time acting hereunder may be removed at any time by an instrument in writing signed by GECC or a Majority in Interest of the Noteholders, or their attorneys thereunto duly authorized. Upon resignation or removal, any trustee shall be entitled to the payment of reasonable charges for the services rendered by such trustee in the management of the trust.

SECTION 4.3. Appointment of Successor. In case at any time any trustee acting hereunder shall resign or shall be removed or otherwise shall become incapable of acting, or in a case a vacancy shall arise from any cause in the trusteeship under this Mortgage, a successor trustee or successor trustees may be appointed by GECC or, if GECC shall fail to act, by a Majority in Interest of the Noteholders, by an instrument or concurrent instruments signed by GECC, such Noteholders or their attorneys-in-fact duly authorized.

Any successor trustee appointed hereunder shall execute, acknowledge and deliver to GECC and the Railway Company an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but

nevertheless, on the written request of GECC, the Railway Company or of the successor trustee, the trustee ceasing to act shall, upon payment of its reasonable compensation and expenses, if any, execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the trustee so ceasing to act; and, upon request of any successor trustee, the Railway Company shall make, execute, acknowledge and deliver any and all deeds, conveyances or other instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such estates, properties, rights, powers and duties. All the conveyances and instruments herein before provided shall be made and provided at the expense of the Railway Company.

SECTION 4.4. Cotrustees. At any time or times, in order to conform to any legal requirement, the Trustee shall have power to appoint, and the Railway Company and the Trustee shall unite in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons, approved by the Trustee, either to act as cotrustee or cotrustees of all or any of the Collateral, jointly with the Trustee herein or its successors, or to act as separate trustee or trustees of any such Collateral, and in either case with such powers and

authority as may be specified in the instrument of appointment.

SECTION 4.5. Disqualification. If by any present or future law in any jurisdiction which any Collateral may be situated, or in which it may be necessary to perform any act in the execution of the trusts hereby created, the Trustee may be or become incompetent or disqualified to act as a trustee hereunder or to hold security upon Collateral situated therein, then the security hereunder and the Collateral in such jurisdiction shall be held by another trustee appointed pursuant to Section 4.4 as sole trustee (if then competent and qualified to act as such), and all acts required to be or which may be performed hereunder in such jurisdiction shall and may be performed by such other trustee acting alone.

SECTION 4.6. No Liability for Interest. The Trustee shall not be under any liability to pay interest on any moneys received or held by it pursuant to any provision of this Mortgage.

ARTICLE V

Miscellaneous

SECTION 5.1. Nature of Instrument. This instrument may be construed as a mortgage, deed of trust,

security agreement (within the meaning of the Uniform Commercial Code of the applicable state), chattel mortgage, conveyance, assignment, pledge, financing statement, hypothecation or contract, or any one or more of them, in order fully to effectuate the lien hereof and the purposes and agreements herein set forth. Trustee shall have, therefore, in addition to all the rights and remedies provided in the Purchase Agreement and the Mortgage, all the rights and remedies of a secured party under the applicable Uniform Commercial Code.

SECTION 5.2. Termination. If all of the Obligations shall be paid, performed and discharged in full, the Trustee shall forthwith cause satisfaction and discharge of this Mortgage to be entered upon the record at the expense of the Railway Company and shall execute and deliver or cause to be executed and delivered such instruments of satisfaction and reassignment as may be appropriate, and this Mortgage shall become null and void, the collateral shall revert to the Railway Company, and all powers and appointments granted herein shall cease and determine. Otherwise, this Mortgage shall remain and continue in full force and effect.

SECTION 5.3. Severability. If any provision hereof is invalid, illegal or unenforceable in any jurisdiction, the other provisions hereof shall remain in

full force and effect in such jurisdiction and the remaining provisions hereof shall be liberally construed in favor of the Trustee in order to effectuate the provisions hereof, and the invalidity, illegality or unenforceability of any provision hereof in any jurisdiction shall not affect the validity, legality or enforceability of any such provision in any other jurisdiction.

SECTION 5.4. Survival. All agreements, representations and warranties made herein shall survive the execution and delivery of this Mortgage.

SECTION 5.5. Notices. Any notice or other communication herein required or permitted to be given shall be in writing and shall be sent in the manner and with the effect provided in the Purchase Agreement and the Notes. Any such notice or other communications to the Trustee, shall be addressed

SECTION 5.6. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Mortgage, or consent to any departure by the Railway Company therefrom, shall in any event be effective without the written concurrence of the Trustee. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Railway Company in any case shall entitle the Railway Company to any other or

further notice, or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section shall be binding upon GECC, the holders from time to time of the Notes, all other Persons from time to time entitled to the benefit of the Obligations and, if signed by the Railway Company, the Railway Company. In the event of any such amendment, modification, termination, waiver or consent, the Railway Company shall give prompt notice thereof to GECC and all Noteholders and, if appropriate, notation thereof shall be made on all Notes thereafter surrendered for registration of transfer or exchange.

SECTION 5.7. Headings. Article and Section headings in this Mortgage are included herein for convenience of reference only and shall not constitute a part of this Mortgage for any other purpose or be given any substantive effect.

SECTION 5.8. Applicable Law. This Mortgage has been executed and delivered in New York, New York, and shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York, except to the extent that the laws of other jurisdictions shall be mandatorily applicable hereto.

SECTION 5.9. Successors and Assigns. The terms and provisions of this Mortgage shall inure to the benefit

of the Trustee, its successors and assigns, GECC, the holders from time to time of the Notes and all other Persons from time to time entitled to the benefit of any Obligation. This Mortgage shall be binding upon the parties hereto, GECC, the holders of the Notes, all other Persons entitled to the benefits of the Obligations and their respective successors and assigns.

SECTION 5.10. Counterparts. This Mortgage and any amendments, waivers, consent or supplements may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, SOUTHRAIL CORPORATION has caused this Mortgage to be signed in its corporate name by its General Counsel, and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary on the 15th of April, 1988; and the Trustee has set her hand to this Mortgage on the 12th of April, 1988; and GENERAL ELECTRIC CAPITAL CORPORATION has caused this Mortgage to be signed in its corporate name by its Vice-President on

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the 12th of April, 1988, all as of the date
first above written.

SOUTHRAIL CORPORATION,

by Mark M. Lee
Title: GENERAL COUNSEL

[Corporate Seal]
Attest:

Bruce A. Miller
Secretary

GENERAL ELECTRIC CAPITAL
CORPORATION

by _____
Title:

V. Y. KIDD, as Trustee,

by _____

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129P224

the 12th of April
above written.

, 1988, all as of the date first

SOUTHRAIL CORPORATION,

by

Title: _____

[Corporate Seal]

Attest:

Assistant Secretary

V.Y. KIDD, as trustee,

by

V.Y. Kidd

GENERAL ELECTRIC CAPITAL
CORPORATION,

by

[Signature]

Title: Vice President

The name and address of the Railway Company is:

SouthRail Corporation
c/o MidSouth Corporation
111 East Capital Street
Jackson, Mississippi 39201

-and-

SouthRail Corporation
Artesia, Mississippi 39736

The name and address of the Trustee is:

V.Y. Kidd
In care of General Electric Credit Corporation
1600 Summer Street
P.O. Box 8300
Stamford, Connecticut 06905

The name and address of the GECC is:
General Electric Capital Corporation
1600 Summer Street
P.O. Box 8300
Stamford, Connecticut 06905

This instrument is prepared by:

Reed D. Auerbach
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, New York 10005

STATE OF *New York* ,)
COUNTY OF *New York* ,) ss.: *MTG* *129P226*
BOOK

I, the undersigned, a notary public in and for
said county and said state, hereby certify that Mark M. Levin
whose name as General Counsel of SOUTHRAIL CORPORATION, a
Delaware corporation, is signed to the foregoing instrument
and who is known to me, acknowledged before me on this day
that, being informed of the contents of the said instrument,
he, as such officer and with full authority, executed the
same voluntarily for and as the act of said corporation on
the
15th day of April , 1988, to be effective as of April *14* ,
1988.

Given, under my hand and seal on this the *15* th day
of *April* , 1988.

Barbara Moy Goon

Notary Public

[Notarial Seal]

BARBARA MOY GOON
Notary Public, State of New York
No. 41-4832861, Qualified in Queens County
Certificate Filed in New York County
Commission Expires *June* 30, 19*89*

STATE OF Arizona
COUNTY OF Maricopa

MTG
BOOK 129P227
SS.:

I, the undersigned, a notary public in and for said county and said state, hereby certify that V.Y. KIDD whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, she executed the same voluntarily for and as the act of said corporation on the 12th day of April , 1988, to be effective as of April/4, 1988.

Given, under my hand and seal on this the 12th day of April , 1988.

My Commission Expires
April 7, 1990


Notary Public

[Notarial Seal]

STATE OF Arizona ,)
COUNTY OF Maricopa ,) ss.:

MTG
BOOK

129P228

I, the undersigned, a notary public in and for said county and said state, hereby certify that Thomas P. Harahan whose name as Vice President of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the 12th day of April , 1988, to be effective as of April 14, 1988.

Given, under my hand and seal on this the 12th day of April , 1988.


Notary Public

My Commission Expires
April 7, 1990

[Notarial Seal]

EXHIBIT-A

Value for property conveyed
is \$ _____

REGISTRATION NO. 14729 FIDELITY

JUL 9 1985 1 12 PM

STATE COMMERCE COMMISSION

MORTGAGE, TRUST INDENTURE AND SECURITY AGREEMENT, dated as of July 3, 1985, by and between GULF & MISSISSIPPI RAILROAD CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Railway Company"), and EDWARD J. DeSALVIO, as trustee (hereinafter called the "Trustee").

WHEREAS the Railway Company has been duly organized under the laws of the State of Delaware; and

WHEREAS the Railway Company pursuant to a Purchase and Sale Agreement made as of the 10th day of January 1984, by and between Illinois Central Gulf Railroad Company (hereinafter called "ICG") and the Railway Company, in its then name GMO Acquisition Corp. (as amended to the date hereof, hereinafter called the "Purchase and Sale Agreement") proposes, promptly after execution and delivery hereof, to acquire and operate certain lines of railroad and other properties now owned by ICG and located in the States of Alabama, Mississippi and Tennessee; and

WHEREAS the Railway Company, for the purposes of acquiring, rehabilitating and improving said lines of railroad and certain other property and rights appertaining thereto and in order to provide for other proper corporate purposes, present and future, has determined to create and issue, in the manner and form provided by a Note and Warrant Purchase Agreement, dated as of July 3, 1985, between the Railway Company and General Electric Credit Corporation (hereinafter called the "Purchase Agreement"), certain notes to be known as the Senior Acquisition Notes due June 30, 1995, the Senior Rehabilitation Notes due June 30, 1993 and the Senior Interim Notes due June 30, 1988, of the Railway Company (hereinafter collectively called the "Notes") in the original aggregate principal amount of up to \$25,000,000; and

WHEREAS in order to provide for and to secure the obligations evidenced by the Notes and all other obligations of the Railway Company under the Purchase Agreement and hereunder, to General Electric Credit Corporation, its successor and assigns ("GECC"), and otherwise, the Railway Company, in pursuance of resolutions of its Board of Directors duly adopted by the unanimous affirmative vote of the entire Board, at a meeting thereof duly called and held in accordance with law and with the by-laws of the Railway

For complete Document - SEE AS

RECORDED, NOTED ABOVE.

GULF & MISSISSIPPI RAILROAD
FREIGHT CAR AND LOCOMOTIVES

DESCRIPTION

UNIT DESIGNATION

OPEN TOP HOPPERS (10)
CABOOSE
CABOOSE
MAINT OF WAY WORK CAR

GMSR 100715 TERU 100724
GMSR 1
GMSR 2
GMSR 3

LOCOMOTIVES

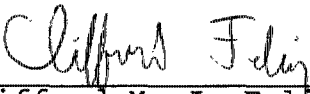
8034	GP 10
8051	GP 10
8100	GP 10
8106	GP 10
8115	GP 10
8133	GP 10
8148	GP 10
8167	GP 10
8187	GP 10
8191	GP 10
8193	GP 10
8195	GP 10
8197	GP 10
8210	GP 10
8212	GP 10
8215	GP 10
8222	GP 10
8223	GP 10
8225	GP 10
8224	GP 10
8226	GP 10
8227	GP 10
8228	GP 10
8230	GP 10
8235	GP 10
8236	GP 10
8247	GP 10
8248	GP 10
8256	GP 10
8266	GP 10
1775	GP 9

CERTIFICATE OF TRUE COPY

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

I, Clifford M. J. Felig, a member of the Bar of the State of New York, do hereby certify that I have compared the attached copy of the document entitled "Amended and Restated Mortgage, Deed of Trust and Security Agreement" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 23rd day of January 1989.



Clifford M. J. Felig

Subscribed and sworn to
before me this 23rd day of
January 1989.



Notary Public

My Commission expires:

ARTHUR WELWARDT
Notary Public, State of New York
No. 41-4834412
Qualified in Queens County
Certificate Filed in New York County
Commission Expires July 31, 1989